GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3302
ANSWERED ON:11.08.2000
SELLING OF NEPA LIMITED
GANGASANDRA SIDDAPPA BASAVARAJ;Y.S. VIVEKANANDA REDDY

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government propose to sell of the loss making NEPA Limited;

(b) if so, the details thereof;

(c) whether the erstwhile Disinvestment Commission had recommended forimmediate sale of 51 percent equity to a strategic partner;

(d) if so, the details thereof;

(e) whether the production has been increasing in the company but the company has been consistently incurring losses;

(f) if so, the reasons therefor; and
(g) the time by which the final decision in regard to selling of the company is likely to be taken?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) to (d) The Government has taken in principle decision for strategicsale of Nepa for a minimum of 51% equity which could go upto 100% in line with the recommendations of the erstwhile Disinvestment Commission. A Merchant Banker has been engaged to locate a suitable party.

(e) Yes, Sir.

(f) The reasons for losses are liquidity crunch, obsolete technology, old dilapidated plant, high cost of production and excess manpower.

(g) Department of Disinvestment is carrying out the physical process ofdisinvestment. Pre-bid conference has since been held. The final decision in regard to selling of the company is dependent on responses received.